COUNTY OF PLACER, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The County of Placer (the County) is a political subdivision of the State of California. An elected, five-member Board of Supervisors (the Board) governs the County. The Board is financially accountable for the Governmental Funds, Proprietary Funds, Fiduciary Funds, and the Discretely Presented Component Unit. Such financial accountability is determined on the basis of budget adoption, taxing authority, financial benefit or burden, funding and appointing a voting majority of the governing authority, designation of management, ability of the Board to impose its will, and fiscal dependency. The basic financial statements of the County include the financial activities of the following legally separate entities:

<u>Blended Component Units</u>

The County Service Areas are separate legal entities created to provide services such as water, sewer, lighting, and road maintenance throughout the County.

The Sewer Maintenance Districts are separate legal entities formed to provide sewer maintenance services within the County.

The Newcastle and Penryn Lighting Districts are separate legal entities formed to provide utilities services in these districts within the County.

The Redevelopment Agency of Placer County is a separate legal entity formed to administer the development of certain areas within the County.

The North Lake Tahoe Public Financing Authority is a separate legal entity formed to provide for the financing and refinancing of land improvements, facilities and equipment for public purposes.

These entities are included in the County's reporting entity because of their operational and financial relationship with the County. Although the above entities are legally separate from the County, they are reported as part of the primary government because their Boards consist of the County Board of Supervisors.

<u>Discretely Presented Component Unit</u>

The First 5 Placer County Children and Families Commission (the Commission) was established under the provisions of the California Children and Families Act (the Act). The Commission is a public entity legally separate and apart from the County and its purpose is to develop, adopt, promote and implement early childhood development programs in the County of Placer consistent with the goals and objectives of the Act. The Commission's programs are funded by taxes levied by the State of California on tobacco products.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Commission is administered by a governing board of seven members, which are appointed by the County Board of Supervisors. Three members are representatives of the County's health care departments, County's social services departments and Board of Supervisors. The County Board of Supervisors may remove any Commission member at any time. Since the County Board of Supervisors can impose their will on the Commission, the Commission is considered a component unit of the County.

Separate financial statements for the Redevelopment Agency of Placer County, the North Lake Tahoe Public Financing Authority and the Commission may be obtained by contacting the County. Separate financial statements for the other legally separate entities are not issued.

Activities of the County school districts and other special purpose districts administered by Boards separate from, or independent of, the County Board of Supervisors are not part of the defined reporting entity because they do not meet the above financial accountability criteria.

B. Government-wide and Fund Financial Statements

The statement of net assets and statement of activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the County and between the County and its discretely presented component unit. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent on fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a specific segment or function. The County includes certain indirect costs as part of the program expenses reported for various functional activities. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given segment or function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular segment or function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

When both restricted and unrestricted net assets are available, unrestricted resources are used only after the restricted resources are depleted.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide, proprietary fund and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using *the current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 365 days of the end of the current fiscal period, except for property taxes, which the County considers available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. The governmental funds used to liquidate compensated absences are the General Fund, Public Safety Fund, Public Ways and Facilities Fund, Capital Improvements Fund, Community Services Fund, County Library Fund, Fire Control Fund and the Redevelopment Agency Housing Fund.

Property taxes, franchise taxes, licenses, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the government receives cash.

The County reports the following major governmental funds:

The **General Fund** is the County's primary operating fund. It accounts for all the financial resources and the legally authorized activities of the County, except those required to be accounted for in another fund.

The **Public Safety Special Revenue Fund** is used to account for the operations of Public Safety departments, including the Sheriff, Probation and District Attorney.

The **Public Ways and Facilities Special Revenue Fund** is used to account for the planning, design, construction, maintenance and administration of County roads.

The **Capital Improvements Fund** was established to account for resources used for countywide facility acquisition and improvement needs and is used to account for deposits from developers and mitigation fees collected by the County and incorporated Cities related to new growth and development within the County.

The **Capital Projects Securitization Fund** is used to account for financial resources resulting from the sale of the County's rights to future tobacco settlement payments. Use of these funds is restricted to the acquisition and construction of specific major capital facilities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The County reports the following major enterprise funds:

The **Transit Fund** accounts for the costs of providing transit services throughout the County.

The **Facilities Fund** accounts for activities related to property management and building maintenance for County-owned and leased buildings and solid waste and landfill operations.

The **Health and Human Services Fund** accounts for a variety of health and social services programs.

The **County Service Areas Fund** is used to account for financial resources collected in specific areas of the County which provide services such as snow removal and irrigation or to pay down debt incurred for public improvements.

The **Sewer Maintenance Districts Fund** accounts for water and sewer maintenance activities in specific areas of the County.

Additionally, the County reports the following fund types:

The **Internal Service Funds** account for the financing of goods or services provided by one department or agency to other departments or agencies of the County or other governmental units on a cost reimbursement basis. Activities include the County's self-insurance programs, providing services to County-governed districts, service areas and advisory councils and equipment financing of the County.

The **Investment Trust Fund** accounts for the assets of legally separate entities that deposit cash with the County Treasurer in an investment pool, which commingles resources of in an investment portfolio for the benefit of all participants. These participants include school and community college districts, other special districts governed by local boards, regional boards and authorities, and pass-through funds for tax collection for cities.

Agency Funds are custodial in nature and do not involve measurement of the results of operations. Such funds have no equity accounts since all assets are due to individuals or entities at some future time. These funds account for assets held by the County as an agent for individuals and other government units.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's proprietary funds are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the County has elected to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board, the Accounting Principles Board or any Accounting Research Bulletins issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), are accounting principles generally accepted in the United States of America.

D. Assets, Liabilities and Net Assets or Equity

Cash and Investments

The County pools cash and investments with the County Treasurer except for investments managed by paying agents under bonded debt agreements. Interest from bank accounts and investments are allocated to the various funds based on the average daily balances of the funds entitled to receive interest.

The County has stated required investments at fair value in the statement of net assets and balance sheet. The fair value of investments is based on published market prices and quotations from major investment brokers. The investments are marked to market and the net asset value is calculated for the County Treasurer's Investment Pool (the Pool) monthly.

The County Treasurer has not provided or obtained any legally binding guarantees during the year to support the value of participants' shares in the Pool.

The fair value of investments is determined monthly. The value of participants' pool shares is based on amortized cost. Specifically, the Pool distributes income to participants based on their relative participation during the period. Income is calculated based on (1) realized investments gains and losses calculated on an amortized cost basis, (2) interest income based on stated rates (both paid and accrued), (3) amortization of discounts and premiums on a straight-line basis and (4) investment and administrative expenses. This method differs from the fair value method used to value investments in these financial statements because the amortized cost method is not designed to distribute to participants all unrealized gains and losses in the fair values of the Pools' investments. At June 30, 2003, there is no material difference between pool participants' shares valued on an amortized cost basis compared to fair value.

For purposes of the Statement of Cash Flows – Proprietary Funds, the County considers all short-term highly liquid investments, including restricted cash and investments, to be cash and cash equivalents. Amounts held in the County's investment pool are available on demand; thus, they are considered highly liquid and cash equivalents for purposes of the Statement of Cash Flows – Proprietary Funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

Interfund Receivables and Payables

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans) in the balance sheet of governmental funds and statement of net assets for proprietary funds. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances". Advances between funds, as reported in the government funds balance sheet, are offset by a fund balance reserve account to indicate that they are not available for appropriation and are not available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation of the government-wide presentation.

Inventories and Prepaid Items

Inventories are valued at cost, which is determined on a first-in first-out basis, and consist primarily of expendable supplies held for consumption. The cost is recorded as an expenditure when the items are used. In the governmental funds balance sheet, there is a reservation of fund balance equal to the inventory balance as these amounts are not available for appropriation.

Payments made for services that will benefit future accounting periods are recorded as prepaid items. In the governmental fund types, there is a reservation of fund balance equal to the amount of prepaid items, since these amounts are not available for appropriation.

Restricted Cash and Investments

Restricted cash and investments consist of $693,802 in the Facilities Enterprise Fund. The investments are restricted for the payment of closure and postclosure care costs associated with the Eastern Regional Landfill. See Note 13 to the basic financial statements for additional landfill disclosures.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Net Assets or Equity (Continued)

Capital Assets

Capital assets, which include property (e.g. land), plant (e.g. buildings and improvements), equipment (e.g. vehicles, computers, office equipment and software) and infrastructure (e.g. roads, bridges, sewers, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation.

Capitalization thresholds are $5,000 for equipment and $50,000 for buildings, improvements and infrastructure.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Infrastructure	10 to 65 years
Buildings and improvements	10 to 50 years
Equipment	2 to 25 years

Compensated Absences

The County reports a liability for compensated absences that is attributable to services already rendered as of June 30, 2003 and that are not contingent on a specific event that is outside the control of the County, such as employee illness. This liability is based on the probability that the County will eventually compensate the employees for the benefits through paid time off or some other means, such as annual leave cash-outs or cash payments at termination or retirement. The liability is calculated based on pay rates in effect at June 30, 2003, in addition to those salary-related payments that are directly and incrementally associated with payments made for compensated absences on termination, Social Security and Medicare taxes.

All regular employees of the County earn paid vacations annually. The amount of vacation hours is based on the years of continuous service and the bargaining unit to which the employee belongs. Except for management employees, no more than 400 hours, or 520 hours after 10 continuous years of service, may be accumulated as of the last day of the first full pay period of each calendar year. Management employees can accumulate up to 520 hours. Also, regular employees are given credit for eight hours sick leave each month of employment with unlimited accumulation. Upon termination, employees are entitled to lump sum payment for accrued vacation and a portion of sick leave, based on a formula. All compensated absence pay is accrued when incurred in the government-wide and proprietary fund financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

Long-term Debt

In the government-wide and proprietary funds financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental or proprietary funds statement of net assets. In the fund financial statements, governmental funds bond and capital lease proceeds are reported as other financing sources. Interest is reported as an expenditure in the period in which the related payment is made.

Net Assets/Fund Balances

The government-wide and proprietary fund financial statements utilize a net assets presentation. Net assets are categorized as invested in capital assets - net of related debt, restricted and unrestricted.

- *Invested in capital assets, net of related debt* – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the net asset balance.

- *Restricted* – This category represents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

- *Unrestricted* – This category represents net assets of the County, not restricted for any project or other purpose.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted for a specific purpose.

As of June 30, 2003, reservations of fund balance are described below:

- *Encumbrances* – to reflect the outstanding contractual obligations for which goods and services have not been received.

- *Notes receivable* – to reflect a segregation of a portion of fund balance to indicate that assets equal to long-term redevelopment agency housing loans are not available for appropriation.

- *Inventories* – to reflect that balances of inventory accounts which reflect resources already expended, but not consumed.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

- *Prepaid items* – to reflect that balances of prepaid items accounts which resources already expended, but are not considered available spendable resources.

- *Advances* – to reflect the amounts due from other funds that are long-term in nature and do not represent available spendable resources.

- *Imprest cash* – to reflect cash on hand maintained by various departments which do not represent available spendable resources.

- *General* – to reflect County policy in establishing a minimum percentage of budgeted expenditures to expend certain resources for unforeseen future events, including shortfalls arising from economic uncertainties.

- *Debt service* – to reflect the funds held by trustees or fiscal agents for the future payment of principal and interest on the certificates of participation. These funds are not available for general operations.

Property Taxes

The County's property taxes are levied July 1 (Unsecured Roll) and October 1 (Secured Roll) on assessed value established on the lien date of the previous January 1 for all taxable property located within the County. Local assessed values are determined, subject to appeal before the Assessment Appeals Board, by the County Assessor’s Office. Locally assessed real property is appraised at the 1975-76 base year value and is adjusted each year after 1975 by the change in the California Consumer Price Index (CCPI) not to exceed an increase of 2% per year.

Property is reappraised from the 1975-76 base year value to current full value upon either (1) a change in ownership or (2) new construction, as of the date of such transaction or completion of construction (only the newly constructed portion of the property is reappraised). Thereafter, it continues to be increased annually by the change in the CCPI not to exceed 2%. The net asset value for the 2002-2003 fiscal year is $31,343,249,000.

The County is permitted by Division 1, Part 0.5, Chapter 5.5, of the California Revenue and Taxation Code, to levy taxes up to $1.00 per $100 of assessed valuation for general governmental services other than payment of principal and interest on general obligation bonds or other indebtedness approved by voters. Taxes are allocated to local agencies and school districts as outlined in Chapter 6 of the California Revenue and Taxation Code. Counties, cities, and school districts may levy such additional tax rate as is necessary to provide for voter-approved debt service.

Taxes are due in one installment (Unsecured Roll) on billing and are subject to late payment penalties if paid after August 31, or two installments (Secured Roll) due November 1 and March 1, and again subject to late payment penalties if paid after December 10 and April 10, respectively. Additionally, supplemental property taxes are levied on a pro rata basis when changes in assessed valuation occur due to sales transactions or the completion of construction.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

In fiscal year 1993-94, the County adopted the Alternate Method of Property Tax Allocation (commonly referred to as the Teeter Plan). Under the Teeter Plan, the County Auditor-Controller, an elected official, is authorized to pay 100% of the property taxes billed (secured, supplemental, and debt service) to the taxing agencies within the County. The County recognizes property tax revenues in the period for which the taxes are levied. Previously, such taxes were allocated and paid as the taxes were collected. Property taxes are accrued as receivables in the period when they are levied. Property tax revenues are recognized when they become available.

The term "unsecured" refers to taxes on personal property other than real estate, land and buildings. Taxes on real estate, land and buildings are secured by liens on property being taxed.

Use of Estimates

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – CASH AND INVESTMENTS

The Treasurer’s Investment Pool is available for use by all funds. The County also has cash and investments held by fiscal agents pledged to the payment or security of certain long-term obligations.

Cash and investments at June 30, 2003 are comprised of the following:

Cash on hand	$ 2,390,839
Imprest cash	11,993
Deposits	35,431,665
Investments	732,793,865
Less warrants payable	(23,246,346)
	747,382,016
Cash with fiscal agent	2,680,318
Restricted cash and investments	693,801
Total cash and investments	$ 750,756,135

Total County cash and investments are reported as follows:

Primary government	$328,180,329
Component unit	7,923,802
Investment trust fund	386,315,195
Agency funds	28,336,809
Total cash and investments	$ 750,756,135

NOTE 2 – CASH AND INVESTMENTS (Continued)

Deposits

The California Government code requires California banks and savings and loan associations to secure a local governmental agency's deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of an agency's deposits. California law allows financial institutions to secure an agency's deposits by pledging first trust deed mortgage notes having a value of 150% of an agency's total deposits. California law also allows an agency to waive the $100,000 federal deposit insurance available on deposits.

At June 30, 2003, the carrying amount of the County's cash deposits (including amounts in checking and nonnegotiable certificates of deposit) was $35,431,665 and the bank balance was $35,446,526. Of the bank balance, $639,635 was covered by federal depository insurance and $34,806,891 was collateralized by the financial institutions pursuant to the above requirements.

Investments

Statutes authorize the County to invest in obligations of the U.S. Treasury, agencies and instrumentalities, bonds issued by the County, commercial paper of "prime" quality of the highest ranking or of the highest letter and numerical rating as provided for by Moody's Investor Services, Inc. or Standard and Poor's Corporation, bankers' acceptances, corporate notes, negotiable certificates of deposit of nationally or state-chartered banks or savings and loan associations, repurchase and reverse repurchase agreements.

The County's investments are categorized to give an indication of the level of custodial credit risk assumed by the County at June 30, 2003. All of the County's investments are categorized as Category 1, which is defined by the GASB Statement No. 3 as investments that are insured or registered or for which the securities are held by the County or its agent in the County's name.

	Fair Value	Interest Rates Range (%)	Maturity Range
Category 1:			
U.S. government securities	$ 15,118,496	3.00%	2/29/04
U.S. government agencies	289,966,721	1.19% - 4.75%	10/1/03 - 11/14/07
Commercial paper	219,529,624	.89 % - 1.31%	7/1/03 - 9/22/03
Corporate notes	208,179,023	1.36% - 8.00%	7/14/03 - 10/15/06
Total Category 1 investments in County Pool	732,793,865		
Category 1 investments with fiscal agents:			
U.S. government securities	2,630,318		
Category 1 restricted investments:			
U.S. government securities	302,633		
U.S. government agencies	391,168		
Total categorized investments	$ 736,167,984		

The County did not invest in reverse repurchase agreements during the fiscal year ended June 30, 2003.

NOTE 2 – CASH AND INVESTMENTS (Continued)

Investment Pool

The County is subject to regulatory oversight by the Treasury Oversight Committee (the Committee), established in December 1995, as required by California Government Code Section 27143. The Committee consists of a representative from the County Board of Supervisors, the County Superintendent of Schools, a representative of the special districts who are required or authorized to deposit money in the County Treasury, a school board representative selected from the school districts and the community college districts within the County and a non-partisan public-at-large member. The Pool is not registered with the Securities and Exchange Commission.

Certain special districts and all public school districts are required by legal provisions to deposit their funds with the County Treasurer. The Pool consists almost entirely of such districts and includes 97 percent involuntary participants at June 30, 2003.

Condensed Financial Information

The Pool does not issue separate financial statements. Condensed financial information for the Pool as of and for the fiscal year ended June 30, 2003 is as follows:

Statement of net assets:	
Net assets held for Pool participants	$746,712,647
Equity of internal Pool participants	$360,397,452
Equity of external Pool participants	386,315,195
Total equity	$ 746,712,647
Statement of changes in net assets:	
Net assets at July 1, 2002	$ 632,720,029
Net change in net assets for Pool participants	113,992,618
Net assets at June 30, 2003	$ 746,712,647

NOTE 3 – RECEIVABLES

Receivables at year-end of the County's major individual funds and nonmajor and internal service funds, in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

Receivables- Governmental Activities:	Accounts	Notes	Due From Other Governments	Total
General Fund	$1,129,474	$ -	$18,196,647	$19,326,121
Public Safety Fund	761,375	-	4,702,517	5,463,892
Public Ways and Facilities Fund	243,875	-	1,817,413	2,061,288
Other Nonmajor Funds	341,750	3,127,738	130,777	3,600,265
Internal Service Funds	478,599	-	-	478,599
Net receivables	$2,955,073	$3,127,738	$24,847,354	$30,930,165

Receivables- Business-type Activities:	Accounts	Due From Other Governments	Total
Transit Fund	$1,161,676	$93,958	$1,255,634
Health and Human Services Fund	-	994,548	994,548
County Service Areas Fund	70,024	-	70,024
Sewer Maintenance Districts Fund	51,655	-	51,655
Internal Service Funds	27,460	-	27,460
Net receivables	$1,310,815	$1,088,506	$2,399,321

The notes receivable balance represents redevelopment agency housing loans that are not expected to be collected in one year.

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2003 for the governmental activities and business-type activities are as follows:

	Balance July 1, 2002	Increases	Decreases	Balance June 30, 2003
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 14,741,108	$ 638,960	$ -	$ 15,380,068
Construction in progress	34,206,509	20,428,531	(11,662,645)	42,972,395
Total capital assets, not being depreciated	48,947,617	21,067,491	(11,662,645)	58,352,463
Capital assets, being depreciated:				
Structures and improvements	72,796,443	11,092,881	(401,720)	83,487,604
Equipment	39,343,803	5,312,375	(3,155,544)	41,500,634
Infrastructure	193,943,627	3,643,719	(973,195)	196,614,151
Total capital assets, being depreciated	306,083,873	20,048,975	(4,530,459)	321,602,389
Less accumulated depreciation for:				
Structures and improvements	(15,939,851)	(1,487,250)	-	(17,427,101)
Equipment	(21,543,645)	(3,062,870)	1,673,107	(22,933,408)
Infrastructure	(134,277,143)	(7,969,870)	1,095,455	(141,151,558)
Total accumulated depreciation	(171,760,639)	(12,519,990)	2,768,562	(181,512,067)
Total capital assets, being depreciated, net	134,323,234	7,528,985	(1,761,879)	140,090,322
Governmental activities, net	183,270,851	28,596,476	(13,424,542)	198,442,785

	Balance July 1, 2002	Increases	Decreases	Balance June 30, 2003
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 1,398,148	$ -	$ -	$ 1,398,148
Construction in progress	3,143,596	2,771,592	(4,706,223)	1,208,965
Total capital assets, not being depreciated	4,541,744	2,771,592	(4,706,223)	2,607,113
Capital assets, being depreciated:				
Structures and improvements	39,107,655	4,803,744	-	43,911,399
Equipment	8,498,719	1,418,798	(462,667)	9,454,850
Infrastructure	76,927,301	4,534,978	-	81,462,279
Total capital assets, being depreciated	124,533,675	10,757,520	(462,667)	134,828,528
Less accumulated depreciation for:				
Structures and improvements	(23,107,703)	(1,081,916)	-	(24,189,619)
Equipment	(4,220,260)	(645,511)	399,398	(4,466,373)
Infrastructure	(20,337,997)	(1,183,497)	-	(21,521,494)
Total accumulated depreciation	(47,665,960)	(2,910,924)	399,398	(50,177,486)
Total capital assets, being depreciated, Net	76,867,715	7,846,596	(63,269)	84,651,042
Business-type activities, net	81,409,459	10,618,188	(4,769,492)	87,258,155
Total	$ 264,680,310	$ 39,214,664	$ (18,194,034)	$ 285,700,940

NOTE 4 – CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	$1,009,932
Public protection	1,275,599
Health and sanitation	93,440
Public ways and facilities	8,507,940
Recreation and cultural	65,265
Education	137,961
Capital assets held by the County Services and Self Insurance Internal Service Funds are charged to various functions based on usage of the assets	1,429,853
Total depreciation expense – governmental activities	$12,519,990
Business-type activities:	
Public transit	$582,592
Facilities	574,312
Community health clinics	12,842
Waste disposal	1,629,922
Capital assets held by the District Services Internal Service Fund is charged to various functions based on usage of the assets	111,256
Total depreciation expense – business-type activities	$2,910,924

NOTE 5 – INTERFUND TRANSACTIONS

Interfund Receivables/Payables

Interfund receivables and payables result from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system or 3) payments between funds are made. The following schedule briefly summarizes the amounts due to/from other funds at June 30, 2003:

Receivable Fund	Payable Fund	Amount
General Fund	Internal Service Funds	$1,945,894
Public Safety	General Fund	38,393
Agency Funds	Agency Funds	1,124,584
Transit (Placer County Transit)	Transit (Tahoe Area Transit)	767,600
Transit	General Fund	39,766
Internal Service Funds	Agency Funds	7,992
Total		$3,924,229

Advances to/from other funds represent long-term loans made to support the County's housing and redevelopment, county service area and special district activities. The following schedule briefly summarizes the amounts advanced to/from other funds at June 30, 2003:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	$804,622
	Internal Service Funds	872,197
		1,676,859
Nonmajor Governmental Funds	Nonmajor Governmental Funds	768,387
Sewer Maintenance Districts	County Service Areas	62,659
Internal Service Funds	General Fund	39,381
	Nonmajor Governmental Funds	503,957
	County Service Areas	247,939
		791,277
Total		$3,299,182

NOTE 5 – INTERFUND TRANSACTIONS (Continued)

Transfers are indicative of funding for capital projects, re-allocations of special revenues and subsidies of various County operations. The following schedule briefly summarizes the County's transfer activity for the fiscal year ended June 30, 2003:

Transfer From	Transfer To	Amount
General Fund	Public Safety	$28,485,681
	Public Ways and Facilities	7,670,896
	Capital Improvements	18,733,083
	Health and Human Services	4,803,200
	Nonmajor Governmental Funds	2,655,611
	Internal Service Funds	4,067,097
		66,415,568
Public Safety	Internal Service Funds	139,039
Public Ways and Facilities	Internal Service Funds	25,101
Capital Improvements	Internal Service Funds	138,054
Nonmajor Governmental Funds	Internal Service Funds	36,480
Health and Human Services	General Fund	2,825
Internal Service Funds	General Fund	156,582
	Facilities	22,936
		179,518
Total transfers		$66,936,585

NOTE 6 – PAYABLES

Payables at year-end of the County's major individual funds, nonmajor and internal service funds, in the aggregate, are as follows:

Payables- Governmental Activities:	Accounts Payable and Accrued Liabilities	Due to Other Governments	Deposits From Others	Total
General Fund	$7,290,950	$1,684,822	$243,167	$9,218,939
Public Safety Fund	3,256,056	-	112,386	3,368,442
Public Ways and Facilities Fund	1,093,597	-	-	1,093,597
Capital Improvements Fund	686,503	-	-	686,503
Capital Projects Securitization Fund	39,178	-	-	39,178
Other Governmental Funds	377,118	-	33,481	410,599
Internal Service Funds	1,184,581	-	5,409	1,189,990
Net payables	$13,927,983	$1,684,822	$394,443	$16,007,248

Payables- Business-type Activities:	Accounts Payable and Accrued Liabilities	Due to Other Governments	Deposits From Others	Total
Transit Fund	$107,172	$10,000	-	$117,172
Facilities Fund	181,908	1,070	139,249	322,227
Health and Human Services Fund	605,330	-	-	605,330
County Service Areas Fund	31,201	-	-	31,201
Sewer Maintenance Districts Fund	463,254	-	47,866	511,120
Internal Service Fund	197,819	-	7,000	204,819
Net payables	$1,586,684	$11,070	$194,115	$1,791,869

NOTE 7 – LONG-TERM DEBT

A summary of certificates of participation outstanding for governmental activities at fiscal year-end is as follows:

Purpose/Installments	Interest Rate %	Date of Issue	Maturity	Amount of Original Issue	Outstanding as of June 30, 2003
Construction of the Administration and Emergency Services Building, installments ranging from $370,000 to $1,025,000	3.90-5.70	3/06/97	06/01/24	$ 15,000,000	$13,365,000
Construction of Juvenile Detention Facility, installments ranging from $345,000 to $815,000	3.90-5.00	6/19/98	07/01/25	13,200,000	12,155,000
Total				$ 28,200,000	$ 25,520,000

The following is a schedule of total debt service requirements to maturity as of June 30, 2003 for certificates of participation:

Year Ending June 30,	Governmental Activities Principal	Governmental Activities Interest
2004	$ 715,000	$ 1,294,554
2005	745,000	1,262,385
2006	775,000	1,228,375
2007	815,000	1,192,210
2008	855,000	1,153,380
2009-2013	4,940,000	5,097,056
2014-2018	6,310,000	3,710,388
2019-2023	7,800,000	1,852,893
2024-2025	2,565,000	176,162
Total	$ 25,520,000	$ 16,967,403

NOTE 7 – LONG-TERM DEBT (Continued)

A summary of bonds outstanding for business-type activities as of June 30, 2003 is as follows:

Purpose/Installments	Interest Rate %	Date of Issue	Maturity	Amount of Original Issue	Outstanding as of June 30, 2003
Construction of Sewer Collection and Treatment Plant, installments ranging from $6,000 to $8,000	5.00	12/1/69	1/1/09	$ 122,000	$ 41,000
Finance closure and post closure costs at Eastern Regional Landfill, installments ranging from $260,000 to $375,000	3.70-5.00	7/1/97	1/1/12	4,170,000	2,815,000
Total				$ 4,292,000	$ 2,856,000

The following is a schedule of total debt service requirements to maturity as of June 30, 2003 for outstanding bonds:

Year Ending June 30,	Business-type Activities Principal	Interest
2004	$ 266,000	$ 134,835
2005	276,000	123,355
2006	291,000	111,175
2007	302,000	98,050
2008	318,000	84,130
2009-2012	1,403,000	177,570
Total	$ 2,856,000	$ 729,115

A summary of changes in long-term debt in governmental activities is as follows:

	Balance July 1, 2002	Additions	Retirements	Balance June 30, 2003	Due Within One Year
Compensated absences	$ 14,710,759	$ 3,743,400	$ (2,386,309)	$ 16,067,850	$ 3,529,469
Self insurance liability	18,522,000	8,310,373	(6,376,573)	20,455,800	6,687,367
Capital lease obligations	2,012,145	479,644	(410,934)	2,080,855	435,263
Certificates of participation	26,205,000	-	(685,000)	25,520,000	715,000
Totals	$ 61,449,904	$ 12,533,417	$ (9,858,816)	$ 64,124,505	$ 11,367,099

NOTE 7 – LONG-TERM DEBT (Continued)

A summary of changes in long-term debt in business-type activities is as follows:

	Balance July 1, 2002	Additions	Retirements	Balance June 30, 2003	Due Within One Year
1976 sewer and water bonds payable	$ 46,000	$ -	$ (5,000)	$ 41,000	$ 6,000
1997 revenue bonds payable	3,065,000	-	(250,000)	2,815,000	260,000
Capital lease obligations	937,348	-	(146,508)	790,840	156,336
Landfill postclosure liability	5,063,122	-	(44,674)	5,018,448	-
Compensated absences	856,715	392,499	(141,591)	1,107,623	262,482
Totals	$ 9,968,185	$ 392,499	$ (587,773)	$ 9,772,911	$ 684,818

Special Assessment Debt

The total matured and unmatured bonds outstanding related to special assessment debt is $24,012,382 at June 30, 2003. The County acts as an agent for the property owners in collecting special assessments, forwarding the collections to bondholders and initiating foreclosure proceedings, when appropriate. The County is not liable for repayment of the special assessment debt, and accordingly, they are not reflected in the accompanying basic financial statements. Cash held on deposit and corresponding amounts payable are reported in an Agency Fund.

Prior Year Defeasance

On June 1, 1998, the County issued $13,200,000 in Certificates of Participation with an average interest rate of 4.7% to finance the cost of constructing a juvenile detention facility and to advance refund $4,430,000 of outstanding 1994 Certificates of Participation with an average interest rate of 6.6%. Proceeds from the Certificates were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1994 Certificates of Participation. As a result, the 1994 Certificates of Participation are considered to be defeased and the liability for those certificates is not recorded in the governmental activities column in the statement of net assets. As of June 30, 2003, $3,970,000 of the 1994 Certificates are outstanding.

Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years. During the current fiscal year, the County performed calculations of excess investment earnings on various bonds and financings, and at June 30, 2003, does not expect to incur a liability.

NOTE 8 – LEASE OBLIGATIONS

Capital Leases

The County uses administrative buildings, fire trucks, and construction equipment acquired under non-cancelable lease agreements classified as capital leases. The related assets and obligations have been recorded using the County's incremental borrowing rate at the inception of leases. The leases expire at various dates through 2009-2010.

Capital assets and accumulated depreciation held under capital leases are as follows:

	Governmental Activities	Business-type Activities	Total
Equipment	$ 3,028,496	$ -	$ 3,028,496
Buildings and improvements	-	1,331,410	1,331,410
Total	3,028,496	1,331,410	4,359,906
Less accumulated depreciation	(223,330)	(133,141)	(356,471)
Net capital assets	$ 2,805,166	$ 1,198,269	$ 4,003,435

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2003 were as follows:

Year Ending June 30,	Governmental Activities	Business-type Activities
2004	$ 530,425	$ 205,993
2005	530,425	205,993
2006	370,944	205,993
2007	355,542	205,993
2008	295,475	102,997
2009-2010	312,191	-
Total minimum lease payments	2,395,002	926,969
Less amount representing interest	(314,147)	(136,129)
Total	$ 2,080,855	$ 790,840

NOTE 8 – LEASE OBLIGATIONS (Continued)

Operating Leases

The County leases real estate and equipment under cancelable and noncancelable operating leases. Future minimum rental payments under operating leases with initial or remaining noncancelable lease terms in excess of one year as of June 30, 2003 are summarized as follows:

Year Ending June 30,	
2004	$ 3,050,472
2005	3,020,032
2006	2,888,028
2007	2,856,156
2008	2,820,843
2009-2013	7,912,518
2014-2018	609,845
	$ 23,157,894

Rents for all such leases have been recorded in the General Fund. Total rental expenditures under operating leases for the fiscal year ended June 30, 2003 were $3,051,725.

NOTE 9 – EMPLOYEES' RETIREMENT PLAN

Plan Description

All full and part-time permanent County employees and certain extra help employees who have worked over 1,000 hours in a fiscal year are eligible to participate in the California Public Employees Retirement System (CalPERS). Elected officials may also participate at their option. Per diem employees and extra help employees working less than 1,000 hours in a fiscal year are excluded. Benefits vest after five years of service. To be eligible for retirement an employee must be at least 50 years of age and have five years of CalPERS credited service. Safety employees who retire at age 50 with five years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 3% of their average monthly pay rate for the last consecutive 12 months of employment, for each year of credited service up to a maximum of 30 years or 90%. Miscellaneous employees are entitled to the same maximum benefits at age 55 for each year of credited service up to 37 1/2 years. CalPERS also provides death and disability benefits. These benefit provisions and all other requirements are prescribed within a contract between the County and CalPERS.

The County contributes to CalPERS, an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating entities within the State of California. The benefits for the public agencies are established by contract with CalPERS in accordance with the provisions of the Public Employees Retirement Law. CalPERS issues a publicly available Comprehensive Annual Financial Report that includes financial statements and required supplementary information. A copy of that report may be obtained by writing to CalPERS, Central Supply, P.O. Box 942715, Sacramento, California 94229-2715.

NOTE 9 – EMPLOYEES' RETIREMENT PLAN (Continued)

Funding Policy

Employees under the Miscellaneous Plan are required to contribute 7% and employees under the Safety Plan are required to contribute 9% of covered salary to CalPERS. The County is required to contribute the remaining amounts necessary to fund the benefits for its members, using the actuarial basis recommended by CalPERS actuaries and actuarial consultants and adopted by the CalPERS Board of Administration. For the fiscal year ended June 30, 2003, the employer contribution rate was 0% for the Miscellaneous Plan and 16.007% for the Safety Plan. The County, as part of its compensation to employees, pays a portion of its employees' contributions in addition to its own.

Annual Pension Cost

For the fiscal year ended June 30, 2003, the County's annual pension cost of $12,054,967 for CalPERS was equal to the County's required and actual contributions. The required contribution was determined as part of the June 30, 2000 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included the following for both the Miscellaneous and Safety Plan, (a) a rate of return on investments (net of administrative expenses) of 8.25%, (b) inflation of 3.5%, and (c) projected salary increases of 3.75% to 14.20% for the Miscellaneous Plan and 4.27% to 11.59% for the Safety Plan, with a merit scale varying by duration of employment coupled with an assumed annual inflation component of 3.5% and an annual production growth of .25%. The actuarial value of the County's assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period. The difference between the Actuarial Value of Assets and the Actuarial Accrued Liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period for the Miscellaneous Plan and the Safety Plan at June 30, 2000 was 18 years and 16 years respectively.

Three-Year Trend Information

	Miscellaneous Plan		Safety Plan	
Fiscal Year-End	**Annual Pension Cost (APC)**	**Percentage of APC Contributed**	**Annual Pension Cost (APC)**	**Percentage Of APC Contributed**
2001	$ 5,595,041	100%	$ 2,860,228	100%
2002	7,959,979	100%	1,430,944	100%
2003	8,739,872	100%	3,315,095	100%

NOTE 10 - OTHER POSTRETIREMENT BENEFITS

In addition to the pension benefits described in Note 9, the County provides postretirement healthcare benefits under two plans. In accordance with the Government Code, all employees electing a PERS retirement date within 120 days of retiring from the County are eligible to receive healthcare benefits. As of June 30, 2003, there were 670 retirees receiving healthcare benefits. The County reimburses approximately 81% of the monthly healthcare premiums. In accordance with County employment policies, retired employees may elect to apply each eight hours of accrued sick leave toward one month's healthcare coverage. Currently 155 employees have made this election. The County reimburses 100% of the monthly healthcare premiums. Expenditures for postretirement healthcare benefits relating to both of these plans are recognized as monthly premiums are paid and are financed on a pay-as-you-go basis. During the fiscal year, expenditures of $2,914,216 were recognized for postretirement healthcare benefits.

NOTE 11 - CONTINGENT LIABILITIES

The County is a defendant in a number of lawsuits and has other claims pending, some of which seek substantial money damages. Some claims may not be covered under the County's excess liability insurance policy; however, management is of the opinion that the potential liability would not have a significant adverse effect on the County’s financial position.

The County participates in a number of federally assisted grant programs. These programs are subject to financial and compliance audits by grantors or their representatives. Some audits of these programs for or including the fiscal year ended June 30, 2003 have not been concluded. Accordingly, the County's compliance with applicable grant requirements is yet to be established. The amount, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined at this time, although the County’s management does not expect such amounts, if any, to be material.

NOTE 12 – RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to and illnesses of employees; and natural disasters. The County maintains an Internal Service Fund to account for and finance its risks of loss. Under these programs, the County is self-insured for the following risks up to the maximum amount per claim as follows: Workers' Compensation, $125,000; General Liability, $500,000; Dental and Vision Care, $1,500. Except for general liability, the County purchases commercial insurance for claims in excess of the preceding coverage amounts and for all other risks of loss.

For general liability claims, the County is a participant in the California State Association of Counties - Excess Insurance Authority (CSAC) excess liability insurance program. The County covers the first $1,000,000 of claims. The purpose of the pool is to spread the adverse effects of losses among the member agencies. The County pays an annual basic premium for excess coverage and is assessed an annual risk premium based on an actuarial review that estimates each of the program’s participant’s ultimate liabilities. Should actual losses among participants be greater than anticipated, the County will be assessed its pro rata share of that deficiency. Conversely, if the actual losses are less than anticipated, the County will be refunded its pro rata share of the excess. Commercial insurance covers claims between $1,000,000 and $25,000,000. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 12 – RISK MANAGEMENT (Continued)

The County Transit Fund is self-insured for public liability and property damage up to $100,000 per occurrence. Claims between $100,000 and $500,000 are insured through the California Transit Systems Joint Powers Insurance Authority (CalTIP), a joint powers agency risk sharing pool, established in 1987 to provide an independently managed self-insurance program for member transit operators. Claims in excess of the pool limit are covered by excess insurance purchased by CalTIP up to $10,000,000 per occurrence. The Transit Fund has not settled any claims exceeding the risk-pool limit of $500,000 per occurrence for any of the past three fiscal years. The Transit fund has the following forms of coverage through CalTIP: bodily injury liability, property damage liability; public officials error and omissions liability; personal injury liability and collision and comprehensive coverage. The purpose of CalTIP is to spread the adverse effect of losses among the member agencies and to purchase excess insurance as a group, thereby reducing its expense.

All County funds participate in the self-insurance programs and make payments to the Self Insurance Internal Service Fund based on historical cost and/or actuarial estimates of the amounts needed to pay prior and current year claims (including future claim adjustment expenses), and to allow accrual of estimated incurred but not reported claims. The total historical cost/actuarially determined claims liability at June 30, 2003 is $20,455,800 consisting of $11,846,000 for Workers Compensation, and $8,609,800 for General Liability. Changes in the Self Insurance Fund claims liabilities during the fiscal years ended June 30, 2003 and 2002 were as follows:

	Claims Liability July 1	Current Year Claims and Changes in Estimates	Current Year Claims Payments	Balance June 30
2001-2002	$ 15,166,000	$ 10,134,637	$ (6,778,637)	$ 18,522,000
2002-2003	18,522,000	8,310,373	(6,376,573)	20,455,800

The claims liabilities above, reported in the Self Insurance Internal Service Fund at June 30, 2003, are based on requirements of GASB Statement No. 10 and GASB Statement No. 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. These accruals represent estimates of amounts to be paid for reported claims, and incurred but unreported claims based upon past experience, modified for current trends and information. The County contracts with independent actuaries to compute the estimated liabilities for the County's self-insurance programs. The liability for unpaid claims for workers' compensation and general liability is discounted to reflect estimated net present value assuming a 4.7% and 5.0% interest rate, respectively. While the ultimate amounts of losses incurred through June 30, 2003 are dependent on future developments, based upon information provided by the County Counsel and others involved with the administration for the programs, the County's management believes that the aggregate accrual is adequate to cover such losses.

NOTE 13 - COUNTY SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE CARE COST

The County accounts for solid waste landfill postclosure costs based on the provisions of GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs*. State and federal laws and regulations require the County to place a final cover on its Eastern Regional landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. The County closed the landfill during the 1995-1996 fiscal year. The $5,018,448 reported as landfill postclosure care liability at June 30, 2003, represents the cumulative amount reported to that date based on the use of 100% of the estimated capacity of the landfill. Actual costs may be higher due to change in estimated inflation, deflation, changes in technology, or changes in applicable laws and regulations.

The County is required by state and federal regulations to make deposits to its postclosure maintenance fund to finance postclosure care costs. The County has restricted cash and investments for the payment of postclosure care costs in the amount of $693,801 as of June 30, 2003.

NOTE 14 - JOINT VENTURE

The County, in conjunction with the City of Roseville and the South Placer Municipal Utility District, has formed the South Placer Wastewater Authority (the Authority) on October 1, 2000 to provide for the planning, financing, acquisition, ownership, construction and operation of the Regional Wastewater Facilities (Facilities). The County's ongoing financial responsibility is for the payment of their proportionate share of the operational and maintenance costs of the Facilities. The County does not have any equity interest in the Authority and, as of June 30, 2003, the County does not expect any additional financial benefit or financial burden from the Authority. The Authority's fund equity as of June 30, 2003 was $473,129. Complete audited financial statements for the South Placer Wastewater Authority can be obtained from the Authority's offices at 2005 Hilltop Circle, Roseville, CA 95747.

NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS

The County, in conjunction with Alpine, El Dorado, Nevada and Sierra counties, has created Golden Sierra Job Training Agency, the purpose of which is to develop and implement a public and private employer's job training program under which local employment needs and goals will be determined and training and employment programs will be planned, developed, and administered. The Golden Sierra Job Training Agency is funded through grants by the federal and state governments. The County has no equity interest in Golden Sierra Job Training Agency and no ongoing financial responsibility.

The County, in conjunction with the Cities of Roseville, Rocklin, and Lincoln, has formed Western Placer Waste Management Authority, the purpose of which is to acquire, own, operate and maintain a sanitary landfill site and all related improvements. The County has no equity interest in Western Placer Waste Management Authority and no ongoing financial responsibility.

The County is a participant with the counties of Nevada, Sutter, Yolo and Yuba to develop and operate Sierra-Sacramento Valley Emergency Medical Services Agency (the Agency). The Agency was developed to coordinate the provision of emergency medical services and to conduct various other specifically designated functions. The County has no equity interest in the Agency and no ongoing financial responsibility.